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PART I.

IMPORTANT GOVERNMENT ORDERS.

DEVELOPMENT SECRETARIAT.

Administration of Co-operative Societies in Mysore.

READ—

Letter No. 3608—C. S., dated 28th November 1931, from the Registrar of Co-operative Societies in Mysore, submitting a report on the working of Co-operative Societies in Mysore, for the year ended 30th June 1931.

ORDER No. D. 4892-4904—C. S. 55-31-3, DATED 29TH—31ST MARCH 1932.
Recorded.

Administration.—Mr. K. H. Ramayya was in charge of the Department during the year except for a month in January 1931, when he went on privilege leave, and Mr. E. V. Ganapathi Iyer, Deputy Registrar, was in charge of the Office of Registrar.

The appointment of Deputy Registrar sanctioned in April 1929 for a period of two years in connection with the establishment of the Land Mortgage Bank was made permanent, and the Deputy Registrar was appointed Personal Assistant to the Registrar and invested with certain powers of audit and inspection of Co-operative Societies.

The number of Co-operative circles was increased from 39 to 42 during the year and 3 additional Inspectors were appointed. As a measure of retrenchment the posts of two Assistant Registrars, of two Sub-Assistant Registrars, of five Inspectors and of a Magic Lantern Lecturer were abolished.

General Progress.—The number of societies rose from 2102 in 1929-30 to 2213 during the year of report with an increase of membership by 11,124. The working

capital increased from Rs. 1'69 crores to Rs. 1'89 crores and the paid-up share capital from Rs. 47'13 lakhs to Rs. 48'88 lakhs. The average working capital per member was Rs. 138'31 against Rs. 133'8 in the previous year. The increased turnover over the level reached in the previous year was a crore of rupees against less than half a crore in the previous year and the larger volume of business transacted in the year under report indicates the service rendered by the co-operative institutions during a period of economic depression. The net profits fell from Rs. 6'15 lakhs to Rs. 5'25 lakhs due chiefly to the non-realisation of interest on outstanding loans. The reserve fund increased from 21'32 lakhs to 22'78 lakhs, and it constitutes 46'6 per cent of the paid-up share capital and 12'04 per cent of working capital.

The total amount of deposits held at the end of the year was Rs. 85'74 lakhs against Rs. 73'11 lakhs in the previous year, which works out to Rs. 62'3 per head of membership against Rs. 57'8 in the previous year. The deposits and withdrawals during the year were both much larger than in the previous year.

Loans.—The total amount of loans issued to individual members during the year under review was Rs. 118'56 lakhs against Rs. 96'15 lakhs during the year previous. Out of this amount, a sum of Rs. 43'18 lakhs was issued for productive purposes such as cultivation and land improvement, Rs. 18'87 lakhs for redemption of prior debts, Rs. 32'64 lakhs for the purchase of necessaries of life Rs. 8'12 lakhs for construction of houses and repairs and Rs. 15'74 lakhs for other purposes. A sum of Rs. 129 lakhs fell due under loans to societies in the year, and of this, a sum of Rs. 92'47 lakhs was recovered during the year. The total amount of loans outstanding against the members of all Co-operative Institutions at the end of the year was Rs. 135'75 lakhs. Loans overdue amounted to 26'9 per cent of the total outstandings. The rate of interest on deposits ranged from $3\frac{1}{4}$ per cent to 7 per cent as in the previous year and the average interest charged on loans varied from 8 to 10 per cent while the rate charged on overdue amounts was not generally more than 12 per cent.

The rates of interest charged by some Banking Institutions, e.g., the Apex Bank and the Bangalore Central Co-operative Bank are rather high, and the Registrar is requested to address the managing bodies of these institutions with a view to the reduction of the rates.

CENTRAL BANKS.

Central Societies.—The working capital of the 16 Central Societies increased from Rs. 46'98 lakhs to Rs. 54'63 lakhs during the year. The total membership, however, fell from 3235 to 3187 and the fall is attributed to the transfer of shares held by individuals in the Land Mortgage Bank, to the affiliated Primary Land Mortgage Societies in the Taluks to which the operations of the Bank have been extended.

Apex Bank.—In the Provincial Co-operative Apex Bank, the number of individual members fell from 310 in 1930 to 295 in 1931, while that of the Society members increased from 863 to 922. The paid-up share capital of the institution rose from Rs. 2,02,973 to Rs. 2,09,558. A sum of Rs. 29,13,695 was held as deposits in the Bank against Rs. 24,97,103 at the end of the previous year which is satisfactory considering the prevailing conditions. The loans disbursed by the Bank to the affiliated societies amounted to Rs. 7,71,091 against Rs. 8,61,670 in the year previous. The loans outstanding against the affiliated societies at the end of the year was Rs. 26,36,640. The Bank issued short term loans to the extent of Rs. 15,345 to 27 societies for stocking for sale, improved agricultural implements, manures, seeds, etc., and Rs. 50,000 to four Agricultural Societies as produce loans, and granted accommodation to three House Building Societies to the extent of Rs. 31,000. Out of the loans to the extent of Rs. 6,69,355 that fell due during the year, a sum of Rs. 2,65,307 only was recovered. The balance is very heavy and unless energetic measures are adopted to reduce the arrears, the usefulness of this institution will be impaired. The Bank had at the end of the year a reserve fund of Rs. 1,03,029 against Rs. 82,012 at the end of the previous year.

The Bangalore Central Co-operative Bank.—This Bank has a membership of 60 societies and 868 individuals on 30th June 1931, against 68 and 823 respectively on the last day of the previous year. Eight societies discharged their liabilities to the Bank in full and got themselves disaffiliated. The Bank held deposits amounting to

Rs. 11.63 lakhs against Rs. 11.40 lakhs at the end of 1929-30 and it had a reserve fund of Rs. 1,72,556 at the end of the year. The demand for the year under loans was Rs. 4,97,696 of which a sum of Rs. 1,73,412 only was recovered. The balance outstanding in the case of this Bank also is very heavy and calls for vigorous measures for its recovery.

District Central Banks.—The Mysore District Central Bank is winding up its transactions with societies and enlarging its dealings with individual members. The other four District Central Banks have transacted very little business. The recommendations of the Registrar in regard to the appointment of a Committee to go into the whole question of the working of these banks are awaited, and should be expedited.

PRIMARY SOCIETIES.

Agricultural.—Government are glad to note that the number of Agricultural Societies increased by 91 and their membership by 4,190, the total working capital having risen from Rs. 45,90,929 in 1929-30 to Rs. 50,38,727 in 1930-31.

Among the non-credit Agricultural Societies are the Cotton Societies, of which that at Mardihalli, Iliriyur Taluk, Chitaldrug District, is reported to be working very satisfactorily. The two Cardamom Societies at Achanahalli in the Saklespur Taluk and at Mudgere are working well and also the two Areca Societies in the Kadur District. There are 49 agricultural supply societies which are stated to be doing satisfactory work. The distribution of seeds of improved strains of ragi and of agricultural appliances was undertaken by some of the Credit Societies. It is reported that many of the grain banks are not functioning properly and it is necessary that the Registrar should examine the causes for this position and suggest remedies.

(ii) *Non-Agricultural Societies.*—There were 419 non-agricultural societies at the close of the year, with a membership of 64,323 and a total working capital of Rs. 84,30,690. They had a paid-up share capital of Rs. 29,67,406 and held deposits to the extent of Rs. 37,40,387 and their reserve fund was Rs. 11,58,810. It is satisfactory to note that barring a few of these Societies such as Sericultural and other Artisan Societies, the rest are financially sound and are efficiently managed.

Stores Societies.—There were 88 co-operative stores societies with a membership of 13,270 and a total working capital of Rs. 13,56,485. They purchased provisions and clothing of the total value of Rs. 11,83,528 and effected sales to the extent of Rs. 11,71,555 during the year.

Industrial Co-operation.—As in last year, there were 22 Sericultural Societies. They had a membership of 415 and a paid-up share capital of Rs. 2,803. They supplied 3,32,906 disease-free layings to their members during the year. The Sandalwood Carvers' Societies at Sagar and Sorab manufactured sandalwood articles of the total value of Rs. 5,733 and effected sales to the extent of Rs. 3,734. The Cart Makers' Society at Hunsur had a membership of 78 and a working capital of Rs. 8,640. The Malvalli Cobblers' Society had a membership of 49 and a working capital of Rs. 1,508. This society got an order from the Stores Purchase Committee for the supply of 2,000 pairs of sandals required by the Mysore Police Department and executed the same promptly. It received an advance of Rs. 1,000 from State Funds to facilitate its working. They were 73 Weavers' Societies with a membership of 2334 and a paid-up share capital of Rs. 73,845. The reserve fund built up by them amounted to Rs. 48,859. Their total turnover during the year amounted to Rs. 6,98,543. Government note with satisfaction that these Industrial Societies are doing useful work and have proved to be of great help to their members.

House-Building Societies.—There were 35 Societies for granting loans for the construction and improvement of houses. These societies had a membership of 2315 and a working capital of Rs. 4,90,872 and issued loans to the extent of Rs. 1,17,150.

It is stated that the operations of these societies are hampered by insufficient finance and the high rate interest they have to pay on sums borrowed. It is desirable that these difficulties should be reduced as far as possible but no material change in this respect can be looked for until there is an improvement in general economic position.

Depressed Classes Societies.—At the end of the year there were 280 Depressed Classes Societies. They had a membership of 6221 and a paid-up share capital of

Rs. 42,318. The total amount advanced up to 30th June 1931 out of the funds placed at the disposal of the Department for financing these Societies was Rs. 42,720. These advances are free of interest for the first two years and carry 5 per cent interest thereafter. The steady progress in the working of these Societies is a matter for satisfaction.

Co-operation in Malnad.—There were 384 societies in the Malnad at the end of year with a membership of 18,925 and a paid-up share capital of Rs. 6,66,173 as against 364 societies with a membership of 18,882 and a paid-up share capital of Rs. 6,64,209 in 1929-30. The deposits held by them amounted to Rs. 3,30,815 and the reserve funds to Rs. 3,08,716 as against Rs. 3,26,815 and Rs. 2,98,820 respectively in the year previous. The progress of these societies, though slow, is steady.

Other Special Societies.—The Co-operative Societies started in certain centres for

1. The Mysore Arya Bhaginiyara Paraspada Sahaya Sangha.
2. The Kolar Ladies Co-operative Society.
3. The Shankarapur Ladies Co-operative Society.

the exclusive benefit of women are reported to be working satisfactorily. Government are glad to note the good work done by the marginally noted institutions and hope more societies of this nature will be formed.

Students' Societies, numbering 19 chiefly attached to educational institutions are also reported to be doing good work.

Land Mortgage Bank.—There was a fall in membership from 660 in 1929-30 to 521 in the year under review. The fall is reported to be due to the transfer of individual members residing within the jurisdiction of the primary Land Mortgage Societies to such Societies. The paid-up share capital of the Bank on 30th June 1931 was Rs. 37,723. The Bank obtained by issue of debentures Rs. 2,32,700 including the Government contribution of Rs. one lakh. The working expenses of the Bank up to the end of June 1931 amounted to Rs. 20,920 and the whole of this expenditure was borne by Government. During the year, the Bank sanctioned loans to the extent of Rs. 88,050 in 32 cases directly and of Rs. 12,050 in 11 cases, through the Primary Land Mortgage Societies. The operations of the Bank now extend to the eight Taluks of Tumkur, Sagar, Koppa, Manjarabad, Kunigal, Shimoga, Chikmagalur and Hassan and to the two Sub-Taluks of Narasimharajapura and Alur.

Land Mortgage Societies.—At the end of the year, there were 12 primary Land Mortgage Societies affiliated to the Land Mortgage Bank and ten of them had started work. They had a membership of 448 and a paid-up share capital of Rs. 17,412. They received 354 loan applications from their members, of which 18 were fully investigated and forwarded to the Bank for sanction. The Bank sanctioned loans to the extent of Rs. 12,050 in 11 cases.

Litigation.—The total number of suits for disposal during the year was 3715 of which 2250 were disposed of leaving 1465 pending at the close of the year. The pendency of suits is still high and the Registrar is requested to see that there is an early and substantial reduction in their number. Six hundred and seventy-three suits were entertained during the year without court fee stamps as the financial condition of the plaintiff societies would not permit them to pay the stamp fees at the time of institution of the suits. These fees will, however, be recovered as a first charge in the course of execution of the decrees. The stamp revenue realised on account of suits pertaining to co-operative societies amounted to Rs. 9,447-6-0 against Rs. 6,674 in the previous year. There were in all, 6298 decrees for execution during the year of which 1867 decrees were executed leaving a balance of 4431 pending at the close of the year as against 4,121 at the end of 1929-30. The progress of execution is unsatisfactory in all the Districts except Bangalore and particularly bad in the Tumkur and Kolar Districts. The Registrar is requested to examine the causes for this unsatisfactory position and submit a report to Government at an early date.

Audit.—During the year, 81 Societies got their accounts audited by certified auditors and 139 societies by experienced local auditors. The accounts of 1323 societies were fully audited and those of 318 societies partly audited by the Inspectors of the Department. The attention of the Registrar is invited to the observations of Government in this respect in the last year's review.

Finance.—The total expenditure on the department of Co-operative Societies amounted to Rs. 1,65,843 against Rs. 1,61,859 in 1929-30. The Societies themselves spent Rs. 1,57,839 for their management against Rs. 1,81,035 in the preceding year.

Amendment of Rules.—Rule No. 18 of the Rules under the Mysore Co-operative Societies Regulation was amended during the year so as to restrict the rate of dividend payable on the share capital of societies to a maximum of $7\frac{1}{2}$ per cent per annum.

Civic and Social Activities.—Eighty-one societies are maintaining free Reading Rooms for the benefit of their members and the general public, and several societies made contribution from their profits for the promotion of charitable or other public purposes.

General.—There were three Honorary Organisers and 31 Honorary Supervisors of Co-operative Societies working at the end of the year. The 17th Mysore Co-operative Conference was held during September 1930 at Mysore, under the auspices of the Co-operative Propagandist Institute. It was opened by the Officiating Dewan who presented Shields and Certificates to the successful societies. The Bangalore City Co-operative Society and the Basavangudi Co-operative Society celebrated their Silver Jubilees during the year.

The working of the Department was on the whole satisfactory. The thanks of Government are due to *Rajasabhabhushana* Mr. K. R. Srinivasa Iyengar, President of the Land Mortgage Bank, for the valuable services rendered by him in the organisation and working of the institution and all the non-official gentlemen who have so cordially co-operated with the Department in the development of the Co-operative Movement.

B. T. KESAVA IYENGAR,
*Secretary to Government,
Development Department.*

GENERAL SECRETARIAT.

Admission into IV Form of candidates who have passed the Lower Secondary Examination and Sanskrit Kavya Examination.

READ—

Letter No. El. 2844-71 of 31-32, dated 22nd January 1932, from the Director of Public Instruction,

“Resolved that Heads of High Schools be permitted to admit into the IV Form, persons who have passed the L. S. Examination and the Bangalore Sanskrit Kavya Examination obtaining in the English group of papers 40% or more marks.”

stating that the marginally noted resolution was passed by the S. S. L. C. Board, at their meeting held on 13th November 1931, in connection with the admission into the

IVth Form of candidates, who have passed the Lower Secondary Examination and the Sanskrit Kavya Examination and recommending approval of the same.

ORDER NO. E. 3541—EDN. 272-31-2, DATED 9TH MARCH 1932.

Approved.

R. RANGA RAO,
Offg. Chief Secretary to Government.